

Taxpayer Service Centers

■ Auburn/Opelika

3300 Skyway Drive (36830)
P.O. Box 2929, Auburn (36831-2929)
Phone: (334) 887-9549

■ Dothan

344 North Oates Street (36303)
P.O. Box 5739 (36302-5739)
Phone: (334) 793-5803

■ Gadsden

235 College Street (35901)
P.O. Drawer 1190 (35902-1190)
Phone: (256) 547-0554

■ Huntsville

994 Explorer Boulevard (35806)
P.O. Box 11487 (35814-1487)
Phone: (256) 922-1082

■ Jefferson/Shelby

2020 Valleydale Road, Suite 208
Hoover (35244)
P.O. Box 1927, Pelham (35124-5927)
Phone: (205) 733-2740

■ Mobile

955 Downtowner Boulevard (36609)
P.O. Drawer 160406 (36616-1406)
Phone: (251) 344-4737

■ Montgomery

1021 Madison Avenue (36104)
P.O. Box 327490 (36132-7490)
Phone: (334) 242-2677

■ Muscle Shoals

874 Reservation Road (35661)
P.O. Box 3148 (35662-3148)
Phone: (256) 383-4631

■ Tuscaloosa

518 19th Avenue (35401)
P.O. Box 2467 (35403-2467)
Phone: (205) 759-2571

■ TDD Number

(334) 242-3061



*Published by the
Alabama Department of Revenue
Office of Taxpayer Advocacy
www.revenue.alabama.gov*

TAX FACTS

FOR

Tax- Exempt Entities

**An informational guide
published for
tax-exempt entities.**

**Alabama
Department of Revenue**

August 2009

Tax-Exempt Entities

As a tax-exempt entity, your organization, school, or governmental agency (instrumentality of the federal government, State of Alabama, county government in the State of Alabama, or any incorporated Alabama municipality) is exempt from payment of Alabama sales and use taxes. To be classified as a tax-exempt entity, your organization, state department, school, etc., must be specifically exempted by law from payment of sales and use taxes or must fall within the exemptions granted to the governmental agencies or instrumentalities outlined above.

As a tax-exempt entity, you are not charged sales or use taxes on your purchases. However, others are not able to claim an exemption on their part from Alabama sales or use taxes on tangible personal property that is purchased by them and used in completing or fulfilling building, maintenance or service contracts with your particular tax exempt organization.

Invitation to Bid

Oftentimes, contractors or builders may not be aware that sales tax or use tax is due upon their purchases of materials or items that are used or consumed by them in completing building, maintenance or service contracts for tax-exempt entities.

In preparing invitations to bid, the department recommends that you include a copy of the brochure entitled *Sales to Tax-Exempt Entities* as a part of your bid package. Free copies of the brochure may be obtained by contacting the department's Sales, Use & Business Tax Division.

Work Performed by Contractors and Builders

All supplies and equipment that are purchased by and used or "consumed" by a contractor or builder in completing or fulfilling contracts with tax-exempt entities are taxable to the contractor or builder at the time the builder or contractor purchases such items or when the items are withdrawn from inventory for use or consumption by the contractor or builder. The fact that these items or materials will be used in performing or completing work for tax-exempt entities has no bearing upon determining whether the sale is taxable or non-taxable to the contractor or builder.

Questions?

For more information concerning any sales or use tax reporting liabilities that a contractor or builder may have or for more information concerning any reporting responsibilities that your particular organization, agency, school etc., may have, contact the Alabama Department of Revenue's Sales, Use & Business Tax Division or visit the nearest Taxpayer Service Center listed on the back page.

**Alabama Department of Revenue
Sales, Use & Business Tax Division
Room 4303, Gordon Persons Building
50 North Ripley Street
Montgomery, AL 36132
Telephone (334) 242-1490**